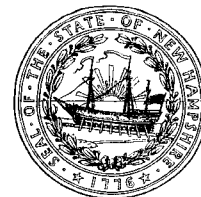




The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

December 30, 2005

Mr. Mark Saltsman
Plant Manager
Concord Steam Corporation
105 ½ Pleasant Street
Concord, New Hampshire 03301

**CERTIFIED MAIL (7099 3400 0018 1290 6641)
RETURN RECEIPT REQUESTED**

**LETTER OF DEFICIENCY
No. ARD 05-017
(Sta.S)**

RE: Letter of Deficiency

Dear Mr. Saltsman:

This Letter of Deficiency ("LOD") is sent by the Department of Environmental Services, Air Resources Division ("DES") to formally notify Concord Steam Corporation ("CSC") of deficiencies identified by DES during the compliance inspection performed by DES at the facility on September 28, 2005, and a review of permit deviation reports submitted by CSC.

The following deficiencies are noted:

1) Condition VIII.D., Monitoring and Testing Requirements, Table 5, Items #7.c. and #8.a., Title V Operating Permit TV-OP-033 ("the Permit"), issued to CSC on December 13, 2000, requires CSC to certify, operate, and maintain the continuous emission monitor ("CEM") system in accordance with all applicable requirements of 40 CFR Part 60 Appendix B, Appendix F, and Env-A 805 within 60 days of any of the following events:

- a) The 365-day rolling average for nitrogen oxides ("NO_x") exceeds 21.0 lb/hour (80% of the standard) for any calendar day;
- b) The 365-day rolling average for carbon monoxide ("CO") exceeds 45.6 lb/hour (80% of the standard) for any calendar day;
- c) The 24-hour average for CO exceeds 100 lb/hour (80% of the standard) for any calendar day;
or
- d) When required by NHDES-ARD when justification exists for such operation of a certified CEM system

On November 11, 2005, CSC reported average hourly CO emissions of 114.3 lbs/hr based on 19 hours of available data. On two other occasions since the Permit was issued to CSC, CO emissions in excess of 100 lb/hr were also reported. On January 10, 2004, CSC reported an hourly average of CO emissions of 104.8 lb/hr and on March 8, 2000, CSC reported an hourly average of CO emissions of 213.3 lb/hr. The March 8, 2000 event was documented in a Notice of Past Violation sent to CSC by DES on February 9, 2001.

2. Section VIII.B., Federally Enforceable Operational and Emission Limitations, Table 4, Item #9 of the Permit limits particulate matter emissions from fuel burning devices to no more than 0.24 lb/MMBtu heat input. In 1992 and 1995, Boiler #6 was tested for total suspended particulate ("TSP") while burning a mix of oil/wood. TSP was reported during both tests at 0.33 lb/MMBtu. Thereafter, CSC burned only oil in Boiler #6, and DES did not require re-testing of the boiler. In 2004, CSC began burning wood again in Boiler #6 but has not re-tested to determine whether it is operating in compliance with the particulate matter emissions limit in the Permit.

3. Condition VIII.G., Applicable Reporting Requirements, Table 8, Item #11 of the Permit requires annual reporting of, among other pollutants, New Hampshire Regulated Toxic Air Pollutant (NHRTAP) emissions. CSC has failed to report RTAP emissions for the calendar years 2000-2004.

4. Section VIII.B., Federally Enforceable Operational and Emission Limitations, Table 4, Item #8 of the Permit prohibits opacity from fuel burning devices in excess of 20 percent for any continuous 6-minute period in any 60-minute period except during periods of startup, shutdown and malfunction, when average opacity is allowed to be in excess of 20 percent for one period of 6 continuous minutes in any 60-minute period. Additionally, exceedances of the opacity standard are also allowed when they occur as a result of good boiler operating practice in accordance with Env-A 2003.04(d). CSC uses a certified opacity CEM mounted on the facility common stack to monitor opacity of emissions from the facility. In 2004, CSC reported approximately 433 opacity deviations. In 2005 (through November), CSC reported approximately 744 opacity deviations. It appears that CSC reports all deviations including those periods when exceptions apply, specifically, good boiler operating practices. Based on a brief review by DES of these deviations, on average, approximately 60% of the deviations reported may be considered violations of the opacity limit. The number of reported deviations also appears to be increasing over time.

DES believes that CSC can resolve the above referenced deficiencies by taking the following actions:

5. Re-certify the CEM for CO and NO_x within 60 days of the date of this LOD;
6. Perform preliminary particulate emissions testing on Boiler #5 and Boiler #6 individually within 30 days of the date of this LOD to determine compliance with the 0.24 lb/MMBtu standard set forth in the Permit. If preliminary data indicate particulate emissions from one or both boilers are likely greater than the limits in the Permit, then CSC shall submit a compliance plan within 90 days of the testing which describes actions that it will take to come into compliance with the particulate emissions limit in the Permit. If data indicate compliance with the Permit, CSC shall submit a schedule for particulate emissions testing on Boilers #5 and #6 in accordance with EPA approved methods within 60 days of the preliminary testing.
7. Submit annual reports of RTAP emissions for calendar 2000-2004 within 30 days of the date of this LOD.
8. Submit a compliance plan within 90 days of the date of this LOD which describes actions that CSC will take to reduce the repeated occurrence of excess opacity deviations. These actions can be included in the compliance plan required in item 6, above.

In the event compliance is not achieved within the time periods indicated, DES may initiate formal action against CSC, including issuing an order requiring the deficiencies to be corrected and/or referring this matter to the NH Department of Justice for imposition of civil and/or criminal penalties. DES reserves the right to pursue administrative fines for the violations noted above.

Please be advised that DES will continue to monitor CSC's compliance status and this letter does not provide relief against any other existing or future deficiencies. Please feel free to contact DES should you have any questions regarding compliance with Env-A 100 *et seq.*, NH Rules Governing the Control of Air Pollution and requirements of your current permit. A current copy of the rules can be obtained from the DES website at www.des.nh.gov/rules/air.htm, or by contacting the DES Public Information Center at (603) 271-2975.

If you have any questions regarding RTAP emission calculations, please contact Patricia A. North, Air Toxics Program Manager, at (603) 271-0901. If you have any questions regarding this LOD, please contact Tara E. Olson, Senior Enforcement Engineer, at (603) 271-4625.

Sincerely,



Pamela G. Monroe
Compliance Bureau Administrator
Air Resources Division

cc: R. Kurowski, EPA Region 1
G. Hamel, DES Legal Unit
Public Information Officer, DES PIP Office
M. Donovan, Mayor of Concord
AFS #3301300032